

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Petition for Declaratory Ruling Seeking Foreign)	MB Docket No. 17-359
Ownership Ruling Pursuant to Section 310(b)(4))	
of the Communications Act of 1934, as Amended,)	
filed by Zoo Communications, LLC and Anco)	
Media Group, LLC)	

Directed to: Office of the Secretary
Attention: Chief, Audio Division, Media Bureau

COMMENTS

JVC Media of South Florida, LLC (“JVC Media”), by its attorneys, hereby submits its Opposition to Zoo Communications, LLC’s (“Zoo”) Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act, as amended (“Petition for Declaratory Ruling”), filed with the above-captioned application for consent to transfer of control of Zoo (“Transfer of Control Application”),¹ the licensee of FM stations WZFL, Islamorada, Florida and WBGF, Belle Glade, Florida, and of FM translator stations W228BV, Fort Lauderdale Florida and WW228BY, Miami, Florida from Zoo to Anco Media Group, LLC (“Anco”).² In the Petition for Declaratory Ruling, Zoo contends that it would serve the public interest to permit Anco to acquire a 100 percent indirect ownership interest in Zoo. Moreover, Zoo requests that the Commission permit Anco to exceed the 25 percent ownership interest benchmark established by Section 310(b)(4) of the Act. Finally,

¹ JVC Media filed a Petition to Deny the Transfer of Control Application on January 2, 2018.

² JVC Media is submitting its Opposition in response to the *Public Notice*, “Zoo Communications, LLC and Anco Media Group, LLC Seek Foreign Ownership Ruling Pursuant to Section 310(b)(4) of the Communications Act of 1934, as Amended,” DA 17-1221, released December 19, 2017. Comments in that proceeding are due January 18, 2018.

Zoo requests advance Commission approval for Anco investors, Marco Mazzoli, Claudio Castiglioni Dompe, Claudia Castiglioni Dompe, and Stefania Pittaluga – each of whom are Italian citizens – to increase their voting and equity interest in Anco at some future time up to any non-controlling interest in the entity not to exceed 49.99 percent.

With respect to the Petition for Declaratory Ruling, the following is stated:

JVC Media is the licensee of WSWN, Belle Glade, Florida, and is thus a competitor of Zoo in Belle Glade. Additionally, JVC Media was the assignor of the license for WBGF to Zoo. JVC has filed suit against Zoo in the Circuit Court of the 15th Judicial Circuit in and for Palm Beach County, Florida, *JVC Media of South Florida, LLC v. Zoo Communications, LLC*, Case No. 502017CA012075XXXXXMB, with regard to Zoo's default in making required payments under contracts assumed from JVC Media in connection with the assignment of the WBGF license. Pursuant to the Asset Purchase Agreement for WBGF, the sale of the station included the sale of all contracts, agreements, and leases related to the business of the station. Specifically included in the sale were the Nielsen contract and the Marketron contract for the station. At the closing of the purchase and sale of the station, JVC Media delivered an Assignment and Assumption sufficient to assign the assumed contracts to Zoo, and Zoo executed, but Zoo thereafter failed to fulfill its obligations under the assigned contracts. Accordingly, JVC Media brought suit to recover the funds it had been forced to pay under those contracts. In light of these circumstances and its status as a market competitor, JVC Media has standing to file this Opposition to the Petition for Declaratory Ruling.

Even a brief review of Zoo's Transfer of Control Application and the attached documents reveals a transaction which is questionable at best and likely has already occurred. Indeed, the very terms of Purchase Agreement call into question whether the putative ownership of Zoo ever

reflected reality or was always a convenient sham designed to evade legal limits on foreign ownership of a broadcast licensee. Furthermore, although Zoo has certified that the agreement attached to the Transfer of Control Application is complete, a key schedule to that Purchase Agreement, which describes the portion of the consideration for the agreement related to releases from existing contracts, is missing. As Zoo has a history of defaulting on its contractual obligations, and particularly its obligations under those contracts assumed from JVC Media, JVC has a significant interest in knowing from precisely which contracts the proposed transferee plans to release Zoo. The Transfer of Control Application is also rather confusingly drafted, as Anco is listed as the transferee and described as a parent company, but is nowhere listed as having any future voting or ownership interest in Zoo. Finally, in the Petition for Declaratory Ruling, Zoo itself has described one of the principals of the apparent proposed transferee, Italian citizen Marco Mazzoli, as already executing many of the functions typically undertaken by an owner. Indeed, Mr. Mazzoli is the sole person reported to the state of Florida as being associated with Zoo. All of these facts add up to indicate that in the currently pending Transfer of Control Application, Zoo is seeing to take advantage of a changing Commission position with regard to foreign ownership of broadcast stations in order to obtain a blessing for an ownership structure which is already a *de facto* reality.

Most telling of all of the documents associated with the Transfer of Control Application is the Purchase Agreement attached thereto. The Purchase Agreement begins by describing Zoo itself, the licensee of the stations that are the subject of the application, as the Seller of the ownership interest in itself to Anco. This description of Zoo is more than a little odd, in light of the representations previously and currently made to the Commission with regard to the current structure of Zoo. In the Transfer of Control Application, which reflects the same structure

previously described to the Commission, Zoo indicates that it has three current members. Those three members are: Italian citizen Claudio Dompe with a 20 percent interest; U.S. citizen Marcella Manca with a 40 percent interest; and U.S. citizen Kimberly Bianchini Scudellari with a 40 percent interest. It is entirely unclear how Zoo is to sell interests in itself that are already held by individual members of the LLC. There is no indication that these interests are being purchased back from Mr. Manca and/or Ms. Scudellari, or that these members are otherwise being removed for any cause.

Another interesting provision of the Purchase Agreement is found in the fourth clause which states: “WHEREAS, Seller [defined as Zoo] desires to sell to Buyer [defined as Anco], and Buyer [Anco] desires to purchase from Seller [Zoo], Seller’s [Zoo’s] interests in the Company....” The term Company is not a defined term in the Purchase Agreement, but it is used in this clause of the Purchase Agreement, in Article II, and in a few other provisions of the Purchase Agreement in contexts which seem to indicate that Company is intended to be another synonym for Zoo. Again, however, it is entirely unclear how Zoo can have any interest in itself which it could have the ability to sell to a third party, separate and apart from its current members, who are not defined as sellers. While it is theoretically possible that Zoo could issue new membership interests in itself, much as a corporation could issue new stock, such an issuance would not remove the current interests of existing members.

Furthermore, Section 1.2 of the Purchase Agreement, as well as the form Promissory Note attached as Exhibit A to the Purchase Agreement, indicate that all of the monetary consideration for the transaction is to be paid to Zoo, and not to any individual members. Thus, by some unexplained sleight-of-hand, two current members of Zoo, who together hold an 80 percent voting and equity interest, will have their membership interests taken away and sold to Anco, but they

will receive nothing in return. There is no explanation whatsoever for why two persons, who together control the majority interest in Zoo, would behave in such a seemingly irrational manner as to allow their controlling interests in two radio stations and two translators to be taken from them and handed to a third party with absolutely no compensation in return. It might be argued that relief from liability under whatever contracts might be listed on Schedule A represents at least some consideration, but such a claim would be incorrect, as the current members are unlikely to have personal liability under such agreements. The point of a limited liability company membership is that it is insulated from liability beyond the value of the membership. As these membership interests are already being removed from the current members without compensation, there is nothing more that can be done to them, and any benefit from being freed from unspecified contract liability is illusory.

Another oddity of the payment arrangements is that they essentially call for the purchase price to be moved from one of the Buyer's pockets to another. Anco is listed in the Transfer of Control Application as the transferee, and the Purchase Agreement calls for Anco to make payment to Zoo pursuant to a promissory note in the principal amount of \$1 million. All of these funds, however, will be paid to Zoo, which apparently is to be a wholly owned subsidiary of Anco, or at least will have common ownership, with interests held in the same percentages as in Anco.

This whole cozy arrangement, whereby Anco will accomplish a major change in control of Zoo simply by paying its own subsidiary, becomes even a bit more peculiar when the backgrounds of the various individuals involved are examined. As stated in the Petition for Declaratory Ruling, new owner, Mr. Mazzoli began a career in Italian broadcasting in 1984 and has been a prominent

figure in broadcasting there for about two decades. Petition for Declaratory Ruling at 11-12.³ Additionally, at the Zoo stations, he has hosted shows on-air, served as Marketing Director, and is General Manager, in addition to being a Manager of the LLC. Clearly, therefore, Mr. Mazzoli is an experienced broadcaster who has been running Zoo's business, though without any theoretical ownership interest. In contrast, the two U.S. citizen members, who together have *de jure* control of Zoo, appear not to be in the broadcasting business. Mr. Manca appears to work for an immigration law firm, Morano International, P.A., according to a complaint filed in the case of *Carlo Renda v. Michael Shannon Morano, Esquire, Marcella Manca, and Morano International, P.A.*, in the Circuit Court, Eleventh Judicial Circuit, in and for Miami-Dade County, Florida, a copy of which is attached hereto as Exhibit 1. JVC Media offers no opinion as to the merits of this case but rather provides this document only to demonstrate that Mr. Manca's primary business is unrelated to broadcasting. Likewise, according to LinkedIn, Ms. Scudellari is the owner of an establishment by the name of Petit Bebe in Charlottesville, Virginia. See, <https://www.linkedin.com/in/kimberly-bianchini-scudellari-b2135012/>. While this is not a foolproof method of identification, Ms. Scudellari's full name is unusual enough that it is unlikely that there would be multiple people in the United States by the same name.

Thus, the picture is not a pretty one. At the time that Zoo filed an application for consent to assignment of the license of its first station, WZFL, in 2015, File No. BAPH-20150518ABD,

³ Indeed the Wikipedia pages for Mr. Mazzoli and his Italian radio show, "*Lo Zoo di 105*," demonstrates that Mr. Mazzoli's prominence in Italian broadcasting has resulted *intra alia* from numerous lawsuits and fines being assessed against him by Agcom (a/k/a the "Italian FCC") for "dirty talk" on his radio show. See, e.g., *Marco Mazzoli*, WIKIPEDIA.ORG, https://en.wikipedia.org/wiki/Marco_Mazzoli (last visited Jan. 16, 2018); *Lo Zoo di 105*, WIKIPEDIA.ORG, https://en.wikipedia.org/wiki/Lo_Zoo_di_105 (last visited Jan. 16, 2018) ("In 2010 *Lo Zoo di 105* started airing the longest prank call ever, named *Alan in love*. In this prank, Alan Caligiuri (a former host of the show) called several elderly people from all around Italy searching for love and he eventually found one. The prank is still ongoing.").

the Commission's policies toward foreign ownership of a broadcast station were still rather strict and limited such foreign ownership to 20 percent. Thus, two U.S. citizens, neither of whom is a broadcaster, were listed as each holding a 40 percent interest, while Italian citizen Mr. Dompe was listed as holding a 20 percent interest, and Mr. Mazzoli was listed as an officer with no ownership interest. As noted above, Mr. Mazzoli has also been the one who has been active in managing the Zoo stations and directing their business, all while maintaining no theoretical ownership interest. The two American members of the LLC were necessary, however, to gain approval of the purchase of a broadcast station. Now, with recent changes in FCC policy, as noted in the Petition for Declaratory Ruling, it seems likely that 100 percent Italian ownership of Zoo would be approved. Therefore, the Transfer of Control Application has been filed, whereby Mr. Mazzoli will take on actual ownership, and Mr. Dompe will increase his ownership. Meanwhile, the previously useful American members will be unceremoniously shoved aside, and their membership interests will be taken without any compensation to them.

The fact that Mr. Manca and Ms. Scudellari are willing to sign an agreement pursuant to which they will receive no payment for their substantial interests in four broadcast stations calls into question what real interests they ever had in those stations. Their extraordinary willingness to step aside calls into question whether Mr. Manca and Ms. Scudellari were ever anything more than window dressing that would allow Mr. Mazzoli, the experienced broadcaster, actually to run the show behind the scenes. The current Transfer of Control Application is nothing more than an attempt to obtain Commission blessing for what has long been the reality of the situation. Zoo should not be allowed to regularize its longstanding sham so easily.

WHEREFORE, the premises considered, JVC Media respectfully requests that the above-referenced Petition for Declaratory Ruling be dismissed or denied, and that the Commission

investigate Mr. Mazzoli's history of lack of regulatory compliance with Italian broadcasting authorities in addition to the previous operations and ownership issues raised herein relating to the petitioners.

Respectfully submitted,

JVC MEDIA OF SOUTH FLORIDA, LLC



By: _____

Francisco R. Montero
Michelle A. McClure

Its Attorneys

FLETCHER, HEALD & HILDRETH, P.L.C.
1300 N. 17th Street – Eleventh Floor
Arlington, Virginia 22209
(703) 812-0400

January 18, 2018

EXHIBIT 1

IN THE CIRCUIT COURT, ELEVENTH
JUDICIAL CIRCUIT, IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

CASE NO:
DIVISION:

CARLO RENDA,

Plaintiff,

vs.

MICHAEL SHANNON MORANO, Esquire,
MARCELLA MANCA, and
MORANO INTERNATIONAL, P.A., a Florida
corporation,

Defendants.

COMPLAINT AND DEMAND FOR JURY TRIAL

COMES NOW the Plaintiff, CARLO RENDA ("REDA"), and sues the Defendants, MICHAEL SHANNON MORANO, Esquire ("MORANO"), MARCELLA MANCA ("MANCA"), and MORANO INTERNATIONAL, P.A., a Florida corporation (the "LAW FIRM") (MORANO, MANCA, and the LAW FIRM, hereinafter collectively referred to as the "DEFENDANTS"), and as grounds therefore alleges as follows:

PARTIES AND JURISDICTION

1. This is an action for damages which exceeds the sum of \$15,000.00 exclusive of interest, costs and attorney's fees.
2. At all times material hereto, RENDA was an Italian citizen.
3. At all times material hereto, MORANO was a member of the Florida Bar, licensed to practice law throughout the state of Florida.

4. At all times material hereto, MANCA was an Italian attorney, not licensed to practice law in any jurisdiction within the United States.

5. At all times material hereto, the LAW FIRM was and is a Florida corporation, engaged in business as a law firm in Palm Beach County and Miami-Dade County, Florida.

6. At all times material hereto, MORANO was and is a shareholder, officer, agent, servant, employee and/or apparent agent of the LAW FIRM, and was at all times material hereto, acting within the course and scope of said agency, services and/or employment with the LAW FIRM, while representing RENDA.

7. At all times material hereto, MANCA was and is an agent, servant, employee and/or apparent agent of the LAW FIRM, and was at all times material hereto, acting within the course and scope of said agency, services and/or employment with the LAW FIRM, while providing services to RENDA.

8. At all times material hereto, the LAW FIRM was and is liable for any and all negligent and/or wrongful acts committed by MORANO and/or MANCA, while engaged in the rendering of services to RENDA.

9. At all times material hereto, MORANO, MANCA, and the LAW FIRM committed tortious acts in Miami-Dade County, Florida, and are therefore subject to the jurisdiction of this Court.

GENERAL ALLEGATIONS

10. In or around October 2014, RENDA hired the LAW FIRM for legal representation in obtaining an investor visa.

11. Throughout the representation, MORANO and the LAW FIRM provided inadequate supervision of MANCA.

12. As a consequence of this inadequate supervision, MANCA was RENDA's sole point of communication with the LAW FIRM.

13. In fact, RENDA's sole conversation with MORANO or any other attorney from the LAW FIRM was not until October 20, 2015, after the denial of his visa.

14. Upon RENDA's initial consultation, MANCA negligently advised him that he should continue to travel to and from the United States and even operate his business under the visa waiver program.

15. Throughout the representation, the DEFENDANTS knew and approved of RENDA's efforts to start a business within the United States, including, but not limited to, the formation of a limited liability company and the investment of approximately \$350,000 USD into the business.

16. In fact, MANCA even referred RENDA to non-lawyers to perform legal work relating to the business and real estate.

17. Neither of the DEFENDANTS ever properly advised RENDA to apply for a B1 business visitor visa.

18. Neither of the DEFENDANTS ever properly advised RENDA to apply for a F1 student visa for his children.

19. Instead, MANCA negligently advised RENDA to enroll his children in school within the United States.

20. The DEFENDANTS negligently delayed the completion of the E2 visa packet, so that RENDA was forced to continue traveling in and out of the United States under the visa waiver program.

21. The DEFENDANTS improperly prepared an E2 visa packet, which did not contain sufficient detail as to RENDA's intent to depart at the termination of the visa status, details as to the funds invested in RENDA's business in the United States, and financial projections of the business.

22. Additionally, neither of the DEFENDANTS properly prepared RENDA for his interview at the United States Embassy in Rome, Italy.

23. At the conclusion of the interview on October 14, 2014, as a result of the foregoing negligence, RENDA was informed that his visa application would need additional administrative action.

24. However, the DEFENDANTS declined to contact the Embassy to attempt to rectify the errors in the application.

25. Thereafter, on October 26, 2015, as a result of the foregoing negligence, RENDA's visa was declined.

26. As a result, RENDA has lost a substantial investment in the business that he was starting, lost profits associated with such business, has incurred additional legal and professional fees, and suffered other harm.

COUNT I – LEGAL MALPRACTICE
AGAINST MORANO

27. RENDA realleges and adopts paragraphs 1 through 26 above and incorporate them by reference.

28. At all times material hereto, MORANO was employed by and entered into an attorney-client relationship with RENDA, for representation in various immigration matters.

29. At all times material hereto, MORANO owed RENDA a reasonable duty of care in representing, counseling and/or advising him in a professional manner with diligence and due care in conformity with and under generally accepted practices.

30. At all times material hereto, MORANO breached the reasonable duty of care owed to RENDA by, *inter alia*,:

- a. providing inadequate supervision of non-attorneys such as MANCA;
- b. failing to properly advise RENDA to apply for a B1 business visitor visa;
- c. failing to properly advise RENDA to apply for a F1 student visa for his children;
- d. negligently delaying the completion of the E2 visa packet;
- e. improperly preparing RENDA's E2 visa packet;
- f. failing to properly prepare RENDA for his interview at the Embassy; and
- g. declining to contact the Embassy in an attempt to rectify the errors in the application.

31. As a direct and proximate result of MORANO's breach of the reasonable duty of care, RENDA was damaged in that his visa was denied, he lost a substantial investment in the business that he was starting, he lost profits associated with such business, he has incurred additional legal and professional fees, and he has suffered other harm.

WHEREFORE, Carlo Renda demands judgment against Michael Shannon Morano, Esquire for compensatory and consequential damages, together with costs, prejudgment interest, as well as all other damages as allowed by law.

COUNT II- BREACH OF FIDUCIARY DUTY
AGAINST MORANO

32. RENDA adopts and realleges paragraphs 1 through 26 above and incorporate them by reference.

33. At all times material hereto, MORANO was engaged in an attorney-client relationship with RENDA.

34. Attendant to the attorney-client relationship, MORANO owed to RENDA fiduciary duties of the utmost loyalty, honesty, confidentiality, and candor.

35. MORANO breached these fiduciary duties to RENDA, by, but not limited to:

- a. charging RENDA for an attorneys' services despite allowing a non-lawyer to provide the majority of services and advice; and
- b. failing to fully and honestly advise RENDA about MANCA's lack of qualifications.

36. As a direct and proximate result of these breaches of fiduciary duty, RENDA has been damaged.

WHEREFORE, Carlo Renda demands judgment against Michael Shannon Morano, Esquire for compensatory damages, consequential damages, and disgorgement of fees paid, together with costs, prejudgment interest, as well as all other damages as allowed by law.

COUNT III- NEGLIGENCE
AGAINST MANCA

37. RENDA realleges and adopts paragraphs 1 through 26 above and incorporate them by reference.

38. MANCA provided advice and services to RENDA relating to various immigration matters.

39. By providing advice and services, MANCA owed a duty to RENDA to do so with ordinary care.

40. At all times material hereto, MORANO was negligent by, *inter alia*,:

- a. negligently advising RENDA that he should continue to travel to and from the United States and even operate his business under the visa waiver program;
- b. negligently referring RENDA to non-lawyers to perform legal work;
- c. failing to properly advise RENDA to apply for a B1 business visitor visa;
- d. failing to properly advise RENDA to apply for a F1 student visa for his children;
- e. negligently advising RENDA to enroll his children in school within the United States;
- f. negligently delaying the completion of the E2 visa packet;
- g. improperly preparing RENDA's E2 visa packet;
- h. failing to properly prepare RENDA for his interview at the Embassy; and
- i. declining to call the Embassy in an attempt to rectify the errors in the application.

41. As a direct and proximate result of MANCA's negligence, RENDA was damaged in that his visa was denied, he lost a substantial investment in the business that he was starting, he lost profits associated with such business, he has incurred additional legal and professional fees, and he has suffered other harm.

WHEREFORE, Carlo Renda demands judgment against Marcella Manca for compensatory and consequential damages, together with costs, prejudgment interest, as well as all other damages as allowed by law.

COUNT IV- VICARIOUS LIABILITY
AGAINST THE LAW FIRM

42. TEHMINA adopts and realleges paragraphs 1 through 26 above and incorporate them by reference.

43. This Defendant is vicariously liable for the negligence and breaches of fiduciary duty of MORANO and/or MANCA under the doctrine of respondeat superior.

44. RENDA was damaged, as a direct and proximate result of the acts and omissions of MORANO and MANCA.

WHEREFORE, Carlo Renda demands judgment against Morano International, P.A. for compensatory damages, consequential damages, and disgorgement of fees paid, together with costs, prejudgment interest, as well as all other damages as allowed by law.

DEMAND FOR JURY TRIAL

Plaintiff demands trial by jury on all issues so triable against all Defendants.

CERTIFICATE OF SERVICE

Plaintiff hereby gives notice that he is sending the Complaint and Demand for Jury Trial to a process server to be served on Defendants via service of process.

ST. DENIS & DAVEY, P.A.

/s/ Eric M. Bradstreet
BRIAN W. DAVEY, ESQUIRE
Florida Bar Number 0152366
brian@sdtriallaw.com
ERIC M. BRADSTREET, ESQUIRE
Florida Bar Number 0034946
eric@sdtriallaw.com
1300 Riverplace Boulevard, Suite 401
Jacksonville, FL 32207
(904) 396-1996 – Telephone
(904) 396-1991 – Facsimile
Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I, Keenan P. Adamchak, counsel for JVC Media of South Florida, LLC, hereby certify that a true copy of the foregoing Opposition to Petition for Declaratory Ruling was sent this 18th day of January, 2018, via First Class U.S. Mail, postage prepaid (unless otherwise indicated), upon the following:

Aaron P. Shainis
Lee J. Peltzman
Shainis & Peltzman, Chartered
1850 M Street NW, Suite 240
Washington, DC 20036

Peter H. Doyle*
Chief, Audio Division – Media Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
peter.doyle@fcc.gov

Lisa Scanlan*
Audio Division – Media Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
lisa.scanlan@fcc.gov

Rolanda F. Smith*
Audio Division – Media Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
rolanda-faye@fcc.gov

Amy Van de Kerckhove*
Audio Division – Media Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
amy.vandekerckhove@fcc.gov

* via email


Keenan P. Adamchak